

400,000 acres by 2010: Land Conservation in Virginia

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Land Conservation



- Benefits for
 - Agriculture and Forestry Industries
 - Water quality
 - Recreation
 - Wildlife habitat
 - Ecotourism and heritage tourism
 - Air quality



Conserve 400,000 Acres

Abating threats to Virginia's rural heritage

- Over the past decade, Virginia has lost over 60,000 acres a year to development.
- This is approximately 165 acres per day (188 acres per day in the Chesapeake Bay watershed).
- The USDA estimates that we lose over 20,000 acres of prime farmland each year to development.



Conserve 400,000 Acres

Broad Public Support

2006 Virginia Outdoors Survey

- “Should the state spend public funds to prevent the loss of exceptional natural areas to development?” YES: 78%
- Importance of protecting Virginia’s natural and open space resources?, 95% said it was either “very important” (67%) or “important” (28%).
- 70% of those surveyed said they favored outright purchase from willing sellers as an appropriate tool for conserving open space.



Conserve 400,000 Acres

What does it mean?

Land conservation = acquisition

- Acquire what?
 - Fee simple
 - Conservation Easements
- Who acquires?
 - State and federal agencies
 - Private land trusts
 - Local governments
- Acquire how?
 - Purchase
 - Donation (land preservation tax credit is important here)



How Do We Get There From Here?

- Overcome obstacles
 - ☐ Lack of trained professional advisors
 - ✓ Legislative instability of land preservation tax credit
 - ☐ Insufficient capacity in agencies and land trust
- Increase awareness and funding
 - ☐ Landowner education and outreach
 - ☐ Partnership with local governments
 - ☐ Increase funding
- “We” includes many players



Professional advisors

- Attorneys
 - ☐ Need to increase awareness among general practitioners
 - ☐ AND increase the number of attorneys who make conservation easements a specialty
 - ✓ Partnership with Virginia State Bar
- Appraisers
 - ☐ Faulty appraisals can result in invalidation or reduction in the value of tax credits
- Estate planners, CPAs also need to be able to explain tax benefits to clients



Instability of Tax Credit

- ✓ Addressed in 2006 Special Session: legislative stability should increase as a result
- ✓ Generosity of the benefit decreased to 40% of the value of the donation
 - ✓ Still the most generous in the nation
- ✓ Additional standards to ensure conservation value and accurate appraisals
- ✓ No changes in 2007 session



Agency and Land Trust Capacity

- ❑ Not only is capacity needed to process new easements, but also to monitor existing easements
- ❑ Many land trusts have few staff or are run by volunteers
- ✓ The Virginia Outdoors Foundation, which holds most of the easements in Virginia, needs additional staff
- ✓ DCR , DHR and DOF also adding staff



Landowner education and outreach

- ☐ Many landowners do not have a full understanding of
 - ☐ Governor Kaine's goal
 - ☐ Tax benefits
 - ☐ Virginia has the most generous land preservation tax credit in the nation
 - ☐ Federal income tax deduction has been increased for 2006 and 2007
 - ☐ How conservation easements work
 - ☐ The range of partners they can choose from (VOF, state agencies, land trusts, etc.)
- ☐ DCR, land trusts, DOF and Virginia Cooperative Extension are providing landowner workshops



Partnership with Local Governments

- ✓ Local governments have exactly the same authority to protect land as VOF and state agencies
 - ✓ Parks and Purchase of Development Rights programs are the main tools that localities use
- ☐ The state can provide
 - ☐ Matching funds
 - ✓ Technical assistance



Increase funding

- Average acreage protected each year: 61,557.23
- As of June 30, 2007 = 240,614.88 acres left to go
- $61,557.23 * 2.5 = 153,893.08$ (acres we should be able to protect in 2.5 years with status quo.)
- $240,614.88 - 153,893.08 = 86,721.8$ acres we need to fund



Increase funding

Cost Range :

- If all of this shortfall were to be achieved through the Virginia Land Conservation Foundation's matching grant program, utilizing a rate of \$1,031 per acre (acquisition and easement average), it is estimated that \$89,410,175.8 in state funds would be required.
- Single Estimate if 80% is protected through easements and 20% through fee acquisitions
 - $(86,721.8 * .80) * \$2,700 \text{ per acre} = \$187,319,088$
 - $(86,721.8 * .20) * \$6,000 \text{ per acre} = \$104,066,160$
 - Grand Total = \$291,385,248



Possibilities for reducing cost to the Commonwealth

- State share is usually only half
 - VLCF makes 50% matching grants (exception: state agency projects)
 - Office of Farmland Preservation will also make matching grants
- Increased federal funding
 - Trend in overall programs is down, but additional state funding will mean we have more match available
- Improved federal income tax deduction for tax years 2006 and 2007
- Prospects for 1 or 2 large transactions with a discount



Conclusion: land conservation

- Calendar year 2006 was a record year: 95,000 acres (we are already ahead of projections)
- Your assistance and ideas are welcome



Questions?

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